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Economic Intelligence Weekly

Secret

CIA No. 8227/74
6 November 1974

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ECONOMIC INTELLIGENCE WEEKLY

6 November 1974

INDUSTRIAL NATIONS

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Western Europe: Foreign Workers Under Fire; Rising unemployment is generating pressure for the reduction of foreign workers. [] see page 3.)

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DEVELOPING COUNTRIES

Iran: Oil Revenues, Balance of Payments, and Investment Flows in 1974; By yearend the Shah will have a comfortable \$9 billion cushion for increased lending and investment. [] see page 7.)

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INTERNATIONAL MARKETS

European Interest Rates Sag; The drop in Eurocurrency interest rates is attributable to the widespread economic slowdown, the relaxation of US monetary policy, and the continuing influx of oil money. [] see page 6.)

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The Dollar continued to decline against major European currencies last week while strengthening slightly relative to the yen. The continuing decline in dollar interest rates and growing prospects for a US coal strike were major factors in the strength of the European currencies, which gained up to 0.8% against the dollar in the week ending

Monday. Gold was fixed at \$173.75 an ounce in London yesterday afternoon. []

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A Spate of International Meetings by copper, tin, iron ore, and bauxite producing nations are under way this week. Measures to bolster metals prices are of paramount concern to the LDCs. Copper-exporting nations are considering ways to raise prices, especially since large Japanese surpluses are now expected to continue into 1975. Members of the International Tin Council are discussing higher support prices for future buffer stock purchases. Iron ore producers may agree on establishing a formal organization but little progress on raising prices is expected. [] see Metals Price Chart, page A-3.)

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World Bauxite: Export Taxes on Rise; Other Caribbean exporters are expected to follow Jamaica's lead in boosting export taxes. [] see page 9.)

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Venezuela: Iron Ore Prices to Rise; US mills will have to pay substantially higher prices after Caracas nationalizes iron ore properties. [] see page 11.)

AGRICULTURE

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Spot Prices for Wheat increased 50 cents a bushel in October, reaching \$5.08 a bushel on 4 November. Corn and soybean prices are hovering below the 1974 highs reached in early October. Cotton prices continue on a downward path. [] see Agricultural Price Chart, page A-4.)

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Sugar Prices Continue to Soar; Rumors of a 400,000-ton Soviet purchase has sent world prices soaring to 50.5 cents per pound f.o.b. Caribbean ports. [] see page 12.)

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Japan: Stance at World Food Conference; Tokyo will prefer to sit back and await a compromise on the controversial issue of food stocks. []

[]-see page 12.)

COMPARATIVE INDICATORS

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Recent Data Concerning Internal Economic Activity (See page A-1.)

Recent Data Concerning External Economic Activity (See page A-2.)

Metal Prices (See page A-3.)

Agricultural Prices (See page A-4.)

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COMMUNIST COUNTRIES

Soviets Short of Rooms for 1980 Olympics; Moscow, which now has 20,000 tourist beds in its hotels, will be hosting 300,000 to 400,000 visitors. [] see page 12.)

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PUBLICATION OF INTEREST

Romania: The Economy Since 1970 (See page 13.)

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WESTERN EUROPE: FOREIGN WORKERS UNDER FIRE

Rising unemployment is strengthening anti-foreign sentiment and generating pressure to reduce the number of foreign workers in the northern countries of Western Europe. Several governments hope that the 8 million to 10 million foreign workers will bear the brunt of their anti-inflation measures. Labor-supplying countries fear that thousands of migrant workers will be forced home, aggravating their unemployment and balance-of-payments difficulties.

Pressures in Western Europe

Declining industrial production in Western Europe has led to widespread layoffs and expectations of large-scale unemployment this winter. The slowdown is particularly acute in several industries with a high concentration of foreign workers, such as construction, automobile manufacture, and tourism.

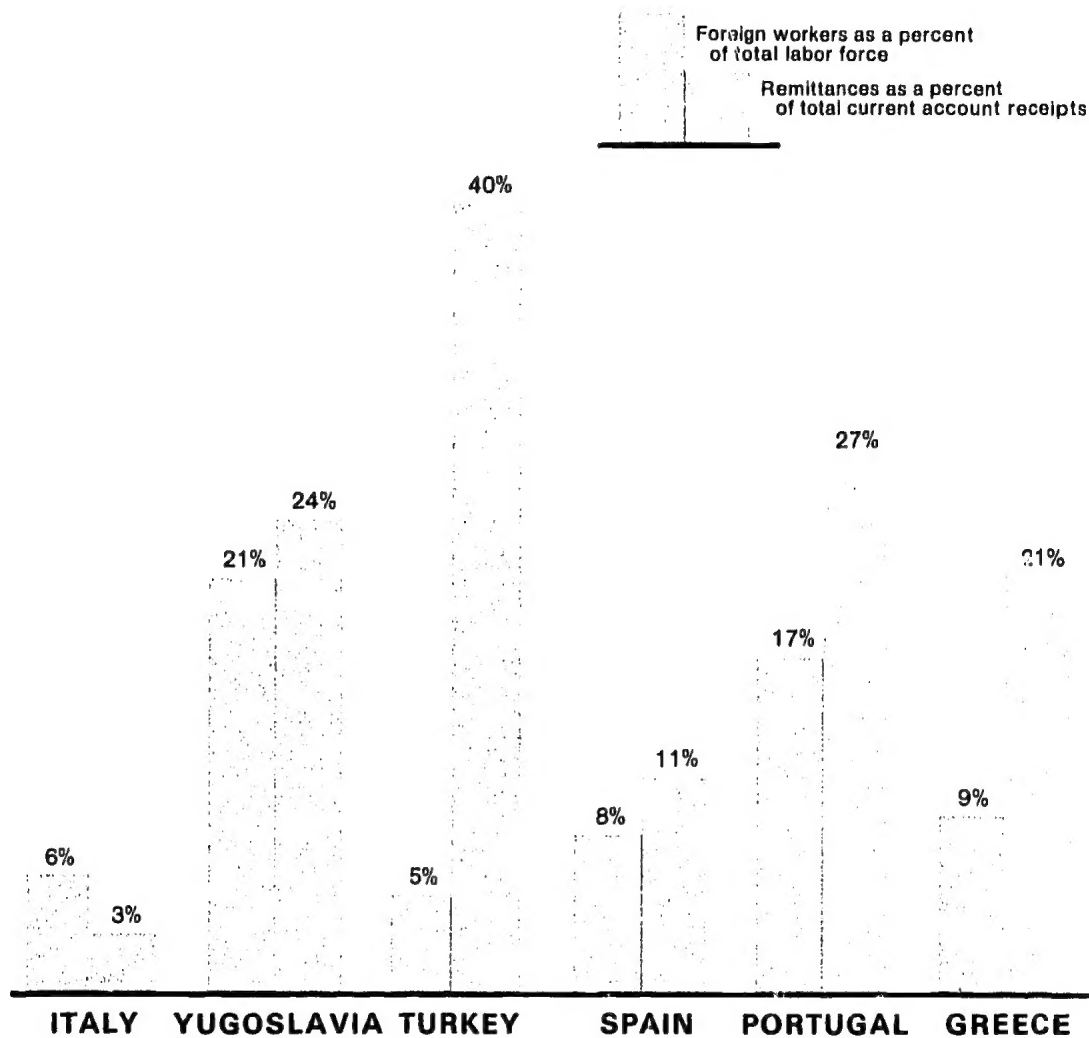
In West Germany – by far the largest employer of foreign labor in Western Europe – the unemployment rate for foreign workers was 2.6% in September, compared with 0.6% a year ago. In contrast, unemployment among the domestic work force was only 2.3%, compared with 0.9% in September 1973. Recently publicized forecasts of a 4.3% unemployment rate this winter has heightened West German concern.

To protect domestic workers:

- West Germany and France have banned the recruitment of foreign labor from outside the EC and have stiffened penalties on the smuggling of foreign workers. Bonn is considering a special tax on companies employing foreigners.
- Switzerland has reduced the number of work permits and has eliminated exemptions granted for foreign workers in hospitals and schools and on farms, despite its exceptionally low unemployment rate.
- The Netherlands has put a ceiling on the immigration of foreign workers and the number of foreigners a firm may hire. The government also is considering offering "farewell bonuses" to foreigners who voluntarily return home.

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The Importance of Foreign Workers to Labor Exporting Countries



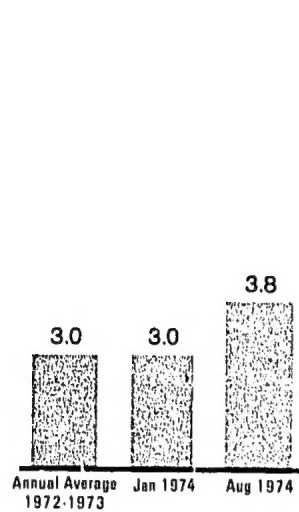
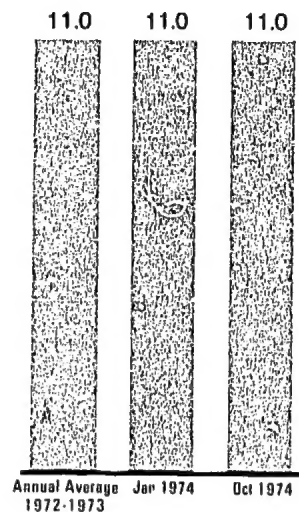
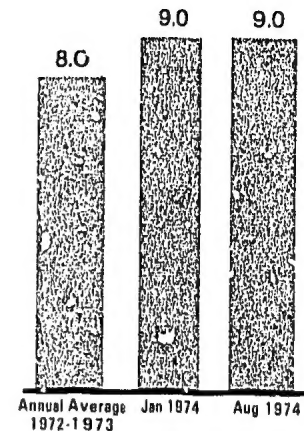
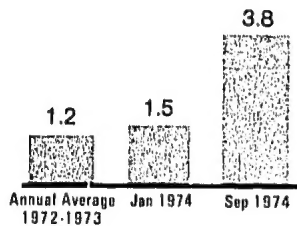
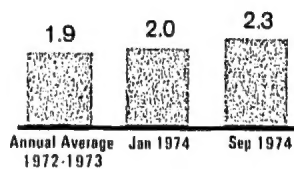
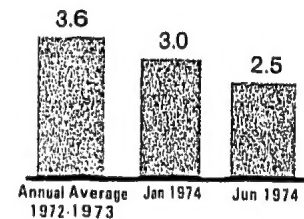
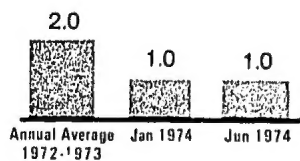
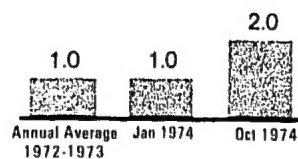
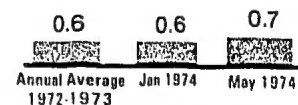
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Effects on Labor-Supplying Countries

Worker remittances constitute almost half of Turkey's current account receipts and are a primary source of foreign exchange earnings for Portugal, Yugoslavia, and Greece. Yugoslavia and Greece already are running current account deficits. A sharp drop in worker remittances could push the current accounts of both Turkey and Portugal into the red. As a member of the EC, Italy will be partially protected from cutbacks in the use of foreign labor. Nonetheless, even a moderate drop in immigrant remittances will rock its already shaky financial position.

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Unemployment in Selected Countries (Percent of total labor force, seasonally adjusted)

**NETHERLANDS****TURKEY****YUGOSLAVIA*****WEST GERMANY****FRANCE****ITALY****SPAIN****PORTUGAL****GREECE***

*Not seasonally adjusted.

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Yugoslavia and Portugal would be badly hurt by cutbacks because they have exported so large a share of their labor. Even without a return of migrant workers, reduced demand and political uncertainties are leading to higher unemployment in Portugal, Spain, and Greece. Unemployment already is severe in Turkey (11%) and Yugoslavia (9%). [REDACTED]

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EUROPEAN INTEREST RATES SAG

Short-term interest rates for most Eurocurrencies have dropped in recent weeks because of the widespread economic slowdown, the relaxation of US monetary policy, and the continuing influx of oil money. Even though the reduction in Eurocurrency rates is easing the downward pressure on the dollar, its value continues to fall.

The Eurodollar rate has led the decline, slipping from 14% to 10% as short-term US rates have moderated. Growth of bank loans has slowed in most European countries; economic slack has reduced the demand for loans, and the larger Eurocurrency banks have become more selective in extending credit. The short-term deposits of oil exporters now exceed the demand for loans by customers deemed creditworthy. Eurocurrency rates for three-month deposits of sterling, French and Swiss francs, and guilders have declined 1 to 3.5 percentage points since August. These rates now range from 15% to 9%.

Short-term rates already have dropped within the Netherlands. West German rates may soon follow suit, since the central bank cut some short-term rates by one-half of a percentage point late last month.

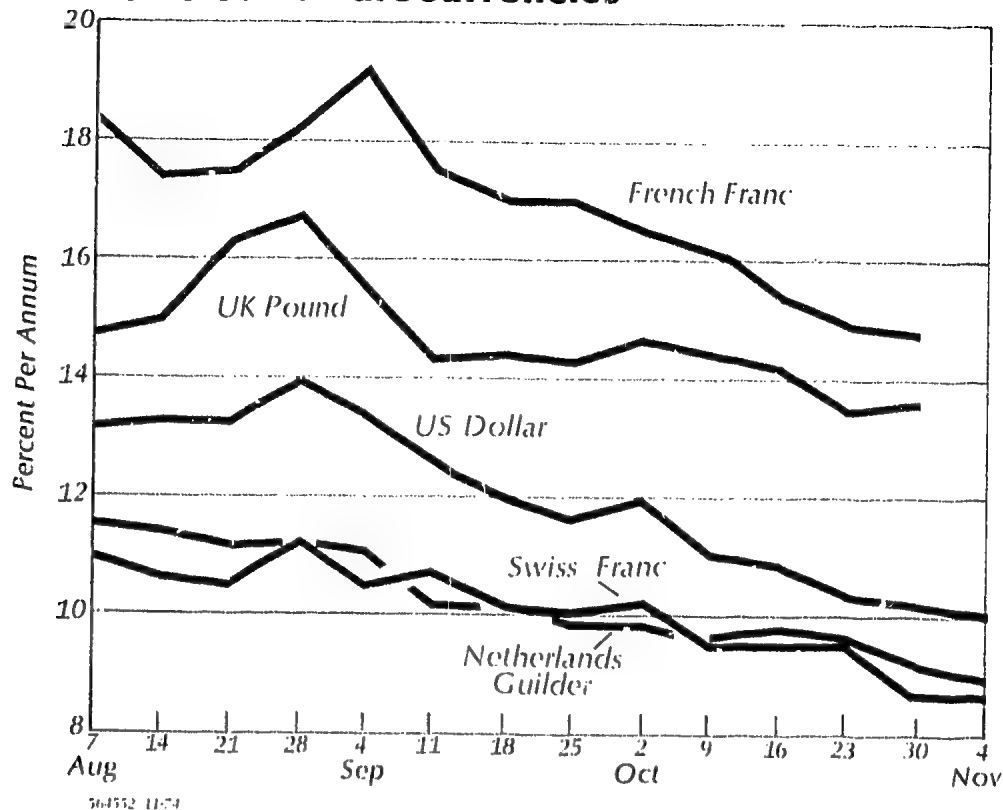
Central banks probably are tolerating or even seeking an easing of European short-term interest rates to keep their currencies from becoming overly attractive relative to the dollar. The aim of maintaining competitive trade positions thus is conflicting with anti-inflation goals. At their last meeting in Basel, European central bankers indicated they wished to continue their tight monetary policies. But if dollar rates continue to decline, they probably will permit further reductions in other rates to limit the upward pressure on their own currencies. [REDACTED]

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Interest Rates for Three-Month Deposits of Selected Eurocurrencies



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IRAN: OIL REVENUES, BALANCE OF PAYMENTS, AND INVESTMENT FLOWS IN 1974

Gigantic oil receipts in 1974 will give the Shah a \$9 billion cushion in foreign reserves. Iran's foreign payments surplus this year will total \$8 billion, despite substantially increased imports and investment outflows. The bulk of Iran's skyrocketing reserves are held in dollars.

The escalation of oil receipts during the second half of 1974 reflects the two-month lag in payments by the companies and the bunching of retroactive payments agreed to at midyear.

Despite the ballooning of exports in the second half, increases in imports and capital outflows will result in roughly equal payments surpluses for the two

Iran: Estimated Oil Receipts, 1973-74

Billion US \$						
	Total 1973	1974				Total
		1st Qtr	2d Qtr	3d Qtr	4th Qtr	
Total	3.3	2.3	4.1	5.5	5.4	17.3
Receipts, excluding retro- active payments	3.3	2.3	3.9	4.9	4.8	15.9
Retroactive payments	0.2	0.6	0.6	1.4

Iran: Balance of Payments, 1974

Million US \$			
	Estimated 1st Half	Projected 2d Half	Projected Year
Export receipts	6,935	11,420	18,355
Oil	6,415	10,900	17,315
Non-oil	520	520	1,040
Import payments (f.o.b.)	3,620	4,030	7,650
Trade balance	3,315	7,390	10,705
Net services	-235	-300	-535
Current account balance	3,080	7,090	10,170
Capital account (net)	900	-2,900	-2,000
Balance of payments and increase in reserves	3,980	4,190	8,170

halves of 1974. Through June, imports of industrial and military goods increased markedly, whereas capital outflows under the Shah's foreign lending and investment program were just getting under way.

During the second half, imports are slowing because of increased port congestion and other transportation bottlenecks while capital outflows are picking up momentum. Iran is prepaying about \$1.5 billion of its high-interest debt. It is also laying out an estimated \$2 billion in credits, investments, and advanced payments for industrial installations, as follows:

Secret**Million US \$**

Pakistan	250
India	140
IMF	700
IBRD	275
United Kingdom	400
France	300

Iran has just begun to develop the institutions and expertise for its newfound role as major lender and investor. In August, it established a subministry for investment and foreign aid within the Ministry of Economics and Finance. The Shah will continue to determine how and where Iran's money will go.

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WORLD BAUXITE: EXPORT TAXES ON RISE

Other Caribbean exporters are expected to follow Jamaica's lead in boosting bauxite export taxes. Pressure for higher taxes is being intensified at the meeting this week of the International Bauxite Association in Georgetown, Guyana. Early action by non-Caribbean exporters such as Australia and Guinea seems unlikely.

Attendance at Meeting

Charter Members	Applicants for Membership	Observers
Australia	Dominican Republic	Indonesia
Guinea	Ghana	Malaysia
Guyana	Haiti	
Jamaica		
Sierra Leone		
Surinam		
Yugoslavia		

Jamaica increased the export tax by 500%, to about \$12 per ton, and linked future increases to US aluminum prices. The other Caribbean exporters -- accounting for 30% of US bauxite and alumina supplies -- have already taken steps to boost levies.

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- Guyana imposed a tax on metal grade bauxite in September against the small Reynolds operation, retroactive to 1 January; the company refusal to pay has set the stage for long-expected nationalization of its Guyana properties.
- The Dominican Republic has rejected an Alcoa offer to double tax and royalty payments and is threatening the company with more stringent tax legislation.
- Haiti is demanding a tax increase in negotiations with Reynolds scheduled to resume 11 November.
- Surinam has notified Alcoa that it wishes to begin negotiations; company officials expect the government to demand a tax hike similar to the Jamaican increase.

Except for Guyana, these countries have moved cautiously in the face of strong resistance by the aluminum companies. As marginal bauxite suppliers, they are vulnerable to company threats to close down operations – now given increased credibility by the response of Reynolds to Guyanese demands. Company leverage, on the other hand, has been weakened by the tightness of world bauxite supplies, the long lead times required to expand alternative supplies, and an unpromising investment climate elsewhere. Reynolds, for example, has deferred action on a large Australian project mainly because of government demands for a 51% equity share.

**United States: Source of Bauxite
and Alumina Supplies¹
1973**

Origin	Percent
Total	100.0
Domestic	8.7
Jamaica	39.2
Australia	20.6
Surinam	16.7
Guyana	6.7
Dominican Republic	4.5
Haiti	1.4
Other	2.2

1. Metal content. Including imports of the US Virgin Islands.

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Meanwhile, Jamaica has opened the second phase of negotiations with two of its six foreign aluminum companies. Kingston is demanding 51% equity participation in the subsidiaries, a sharp increase in the share of bauxite refined into alumina locally, and reversion of bauxite reserves. The government appears willing to ease its previous tax measures in exchange for company concessions on the new demands.

Producing countries outside the Caribbean will move more slowly. Although Australia wants increased bauxite revenues, the Whitlam government is being pressed by rising unemployment to ease restrictions on direct foreign investment. In Guinea, exports to the United States from large newly developed deposits are only now getting under way, and additional foreign capital is needed to complete projects.

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VENEZUELA: IRON ORE PRICES TO RISE

US mills will have to pay substantially higher prices for Venezuelan iron ore after Caracas nationalizes the industry in December.

The government has told US Steel's local subsidiary that after nationalization it will renegotiate prices on contract exports to Western Europe, about 40% of the total - a move that will bring higher prices. It also will seek higher prices for shipments to the United States, which constitute 11% of total US supplies. Prices for Venezuelan ore in recent months have been running about 20% below the average for other US ore imports.

Venezuela is in a strong position to demand higher prices since it is not concerned about export volume. In view of its large oil revenues, Caracas can afford to conserve its iron ore reserves for use by its own steel industry, which is expected to absorb all domestic production by 1985. Caracas also is aware that US Steel, which now absorbs or resells 85% of iron ore exports, needs access to Venezuelan ore for five to seven more years.

The new prices will be set with an eye toward avoiding short-term unemployment and other disruptions in the transition to government ownership.

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Secret**Notes****Japan: Stance at World Food Conference**

Japanese delegates will maintain low profile at the World Food Conference. While agreeing that developed nations must help increase food output in the LDCs and continue food aid, Tokyo wants to avoid specific targets in the final resolutions. It prefers to sit back and await a compromise on the issue of food stocks. The Japanese are willing to establish larger reserves either in Japan or in the United States to meet their own requirements but oppose arrangements that would earmark any portion for aid to other countries. Although Tokyo favors using stocks to help stabilize prices, it will not openly oppose US proposals that stress availability of supply. Japan's only initiative has been to propose a food information system aimed at preventing repetition of unexpected grain purchases by the USSR and China, which jeopardize Japanese access to supplies. [REDACTED]

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Soviets Short of Rooms for 1980 Olympics

The Soviets face the mind-boggling task of accommodating 300,000-400,000 visitors to the summer Olympic Games in 1980. Embassy Moscow reports that the head of Intourist, S.S. Nikitin, is in the early stages of panic. Moscow now has roughly 20,000 tourist beds in hotels, and they are already so crowded that Intourist must rent 6,400 residential apartments. Prior to the selection of the USSR as host for the Olympic Games, Moscow had plans for 45 new hotels, with a total of 20,000 beds, to be completed by 1980. Nikitin admitted that this plan would have to be revised. [REDACTED]

STAT

Sugar Prices Continue to Soar

Rumors of a 400,000-ton Soviet purchase from the Philippines in the face of ever tightening world supplies has sent world sugar prices soaring 33% in the last three weeks to 50.5 cents per pound f.o.b. Caribbean ports. Adverse weather has already hurt production in the European Community and Eastern Europe and apparently is now threatening damage to the Soviet crop. The poor outlook is forcing the EC and the Communist countries to turn to the world market because the availability of additional supplies from preferential Caribbean sources is limited by prior commitments to other customers. [REDACTED]

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Publication of Interest*

Romania: The Economy Since 1970

STAT

(ER RP 74-23, November 1974,)

Romania boasts a 9% economic growth rate, thanks to tight central control, accelerated imports from the West, and self-sufficiency in energy and foodgrains. At the same time, Romania remains one of the poorest nations in Eastern Europe. Industrial output has grown rapidly – with emphasis on machine building and chemicals. Agriculture has slowly expanded, output being held down by poor weather in 1973 and 1974. Romania has become the first Warsaw Pact nation to conduct more than one-half of its trade with non-Communist countries.

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INTERNAL ECONOMIC INDICATORS

GNP*

Constant Market Prices

	Latest Quarter	Percent Change from Previous		Average Annual Growth Rate Since	
		Month	1970	1 Year Earlier	Previous Quarter
United States	74 III	-0.7	3.2	-2.3	-2.9
Japan	74 II	0.6	5.7	-3.3	2.4
West Germany	74 II	-0.7	3.1	1.1	-2.9
France	73 IV	1.7	-3.6	0.0	7.0
United Kingdom	74 I	-3.5	1.9	-4.4	-13.3
Italy	73 IV	1.9	3.7	5.3	7.7
Canada	74 II	0	5.7	4.9	0

WHOLESALE PRICES

Industrial

	Latest Month	Percent Change from Previous		Average Annual Growth Rate Since	
		Month	1970	1 Year Earlier	3 Months Earlier
United States	Sep 74	0.8	9.8	27.9	26.5
Japan	Sep 74	0.1	11.1	30.7	9.5
West Germany	Sep 74	0.3	0.9	14.7	7.3
France	Sep 74	-1.0	11.8	27.9	-7.1
United Kingdom	Sep 74	1.5	11.5	25.7	19.9
Italy	Jul 74	2.5	16.3	47.1	24.7
Canada	Jul 74	2.0	11.2	24.6	12.2

INDUSTRIAL PRODUCTION*

	Latest Month	Percent Change from Previous		Average Annual Growth Rate Since	
		Month	1970	1 Year Earlier	3 Months Earlier**
United States	Sep 74	0.3	4.0	-1.0	-0.2
Japan	Sep 74	0.2	5.2	-8.9	-13.5
West Germany	Aug 74	0	2.5	-3.8	-7.9
France	Aug 74	0	6.2	4.1	12.4
United Kingdom	Aug 74	1.2	2.9	1.2	7.5
Italy	Aug 74	-4.8	3.6	-0.8	0
Canada	Aug 74	0.4	5.8	5.3	-3.6

CONSUMER PRICES

	Latest Month	Percent Change from Previous		Average Annual Growth Rate Since	
		Month	1970	1 Year Earlier	3 Months Earlier
United States	Sep 74	1.1	8.6	12.1	13.7
Japan	Sep 74	1.9	11.7	23.8	19.1
West Germany	Sep 74	0.3	6.1	7.3	2.9
France	Sep 74	1.1	8.3	14.7	13.3
United Kingdom	Sep 74	1.1	10.4	17.1	8.7
Italy	Aug 74	2.1	10.3	20.5	28.9
Canada	Sep 74	0.6	6.7	10.9	9.7

RETAIL SALES*

Current Prices

	Latest Month	Percent Change from Previous		Average Annual Growth Rate Since	
		Month	1970	1 Year Earlier	3 Months Earlier**
United States	Sep 74	-1.2	9.7	8.6	17.8
Japan	May 74	4.7	13.0	15.9	-1.7
West Germany	Jun 74	1.5	7.7	2.0	1.5
France	May 74	6.2	8.5	18.1	1.3
United Kingdom	Jun 74	3.3	11.9	14.7	8.3
Italy	Apr 74	0.9	17.4	27.0	34.0
Canada	Aug 74	2.7	12.9	19.4	24.9

MONEY SUPPLY*

	Latest Month	Percent Change from Previous		Average Annual Growth Rate Since	
		Month	1970	1 Year Earlier	3 Months Earlier**
United States	Sep 74	0.1	5.8	5.8	2.2
Japan	Jun 74	1.6	17.9	15.7	17.6
West Germany	Aug 74	0.8	9.1	9.6	10.9
France	Jun 74	1.3	12.7	10.7	15.6
United Kingdom	Sep 74	-0.4	8.5	2.4	5.1
Italy	Jan 74	0.1	20.7	22.7	22.5
Canada	Sep 74	-0.7	11.8	6.6	-6.1

MONEY-MARKET RATES

	Representative Rates	Percent Rate of Interest			
		Latest Date	1 Year Earlier	3 Months Earlier	1 Month Earlier
United States	Dealer-placed finance paper	Oct 23	9.38	7.75	11.45
Japan	Call money	Oct 9	12.50	8.75	12.90
West Germany	Interbank loans (3 Months)	Oct 23	9.70	14.31	9.20
France	Call money	Oct 9	13.13	11.13	14.00
United Kingdom	Sterling interbank loan (3 mo)	Oct 23	11.49	12.63	13.39
Canada	Finance paper	Oct 23	10.85	8.97	11.53
Euro-Dollars	Three-month deposits	Oct 23	10.85	9.58	13.31

*Seasonally adjusted.

**Average for latest 3 months compared with average for previous 3 months.

6 November 1974

Office of Economic Research/CIA

Note: US data provided by US government agencies

EXTERNAL ECONOMIC INDICATORS

EXPORTS*

f.o.b.

	Latest Month	Cumulative			
		Million US \$		Percent Change	
		1974	1973	1974	1973
United States	Sep 74	8,286	71,575	50,428	41.9
Japan	Sep 74	4,494	38,859	25,796	50.8
West Germany	Sep 74	7,247	65,851	48,743	35.1
France	Sep 74	4,015	34,313	28,857	28.7
United Kingdom	Sep 74	3,295	28,898	21,148	26.2
Italy	Aug 74	2,464	19,026	13,533	40.8
Canada	Aug 74	2,871	21,021	16,329	28.7

EXPORT PRICES

US\$

	Latest Month	Average Annual Growth Rate Since			
		Percent Change from Previous		1 Year	3 Months
		Month	1970	Earlier	Earlier
United States	Sep 74	0.7	12.8	29.9	30.7
Japan	Sep 74	0.5	15.9	23.8	-1.3
West Germany	Aug 74	-0.8	14.8	13.4	-3.3
France	Jun 74	1.5	14.7	11.5	33.5
United Kingdom	Jul 74	1.1	13.5	25.4	30.4
Italy	May 74	1.9	13.6	30.8	74.7
Canada	May 74	1.4	14.7	43.2	55.2

IMPORTS*

f.o.b.

	Latest Month	Cumulative			
		Million US \$		Percent Change	
		1974	1973	1974	1973
United States	Sep 74	8,520	73,922	50,491	46.4
Japan	Sep 74	4,079	39,474	22,737	73.6
West Germany	Sep 74	5,433	47,852	37,050	29.2
France	Sep 74	4,229	37,388	25,308	48.0
United Kingdom	Sep 74	4,174	35,843	24,341	46.4
Italy	Aug 74	3,173	24,337	15,140	60.7
Canada	Aug 74	2,860	20,590	14,884	38.3

EXPORT PRICES

National Currency

	Latest Month	Average Annual Growth Rate Since			
		Percent Change from Previous		1 Year	3 Months
		Month	1970	Earlier	Earlier
United States	Sep 74	0.7	12.8	29.9	30.7
Japan	Sep 74	-0.4	11.0	39.7	23.6
West Germany	Aug 74	2.0	5.8	22.6	24.8
France	Jun 74	3.3	11.1	28.5	42.5
United Kingdom	Jul 74	1.8	13.6	33.3	29.6
Italy	May 74	1.3	13.9	40.2	52.3
Canada	May 74	0.7	12.2	37.3	44.7

TRADE BALANCE*

f.o.b./f.o.b.

	Latest Month	Cumulative (Million US \$)			
		Million US \$		Change	
		1974	1973	1974	1973
United States	Sep 74	-233	-2,347	-83	-2,284
Japan	Sep 74	415	-616	3,059	-3,674
West Germany	Sep 74	1,814	17,999	11,692	6,306
France	Sep 74	-214	-3,073	1,051	-4,125
United Kingdom	Sep 74	-879	-8,945	-3,193	-5,752
Italy	Aug 74	-701	-5,311	-1,607	-3,704
Canada	Aug 74	11	432	1,445	-1,014

IMPORT PRICES

National Currency

	Latest Month	Average Annual Growth Rate Since			
		Percent Change from Previous		1 Year	3 Months
		Month	1970	Earlier	Earlier
United States	Sep 74	-0.2	19.4	54.3	22.0
Japan	Sep 74	-0.5	16.8	75.6	4.3
West Germany	Aug 74	3.1	7.5	35.3	23.0
France	Jun 74	0	15.6	61.5	37.0
United Kingdom	Jul 74	0.4	21.3	57.1	17.9
Italy	May 74	0.3	25.5	85.5	45.3
Canada	May 74	4.7	11.0	30.4	62.8

BASIC BALANCE**

Current and Long-Term-Capital Transactions

	Latest Period	Cumulative (Million US \$)			
		Million US \$		Change	
		1974	1973	1974	1973
United States*	74 II	-2,740	-954	-2,164	1,210
Japan	Sep 74	211	-9,048	-6,674	-2,374
West Germany	Aug 74	-424	4,558	5,817	-1,259
France	73 IV	-475	N.A.	-2,472	N.A.
United Kingdom	74 I	84	84	-1,033	1,117
Italy	74 I	-2,037	-2,037	975	-3,012
Canada	74 II	-445	-613	-6	-608

EXCHANGE RATES

Spot Rate

As of 1 Nov 74

	US \$ Per Unit	Percent Change from			
		Dec 66	18 Dec 1971	19 Mar 1973	25 Oct 1974
		1971	1973	1974	1974
Japan (Yen)	0.0033	20.62	2.49	-12.49	-0.06
West Germany (Deutsche Mark)	0.3888	54.65	25.30	9.80	0.03
France (Franc)	0.2140	5.99	8.68	-2.90	0.61
United Kingdom (Pound Sterling)	2.3370	-16.25	-10.31	-5.04	0.17
Italy (Lira)	0.0015	-6.25	-12.73	-15.20	0
Canada (Dollar)	1.0158	10.13	1.80	1.81	-0.10

OFFICIAL RESERVES

	Latest Month	Billion US \$			
		Billion US \$		1 Year	3 Months
		End of	Jun 1970	Earlier	Earlier
United States	Sep 74	15.9	14.5	12.9	14.9
Japan	Oct 74	13.5	4.1	14.0	13.2
West Germany	Sep 74	32.8	8.8	35.3	34.2
France	Sep 74	8.6	4.4	11.2	8.2
United Kingdom	Sep 74	7.2	2.8	8.4	6.7
Italy	Jun 74	5.3	4.7	6.0	6.7
Canada	Sep 74	5.8	4.3	5.7	6.1

TRADE-WEIGHTED EXCHANGE RATES***

As of 1 Nov 74

		Percent Change from			
		Dec 66	18 Dec 1971	19 Mar 1973	25 Oct 1974
		1971	1973	1974	1974
United States		-14.47	-5.19	1.40	0.00
Japan		12.29	-1.22	-13.03	-0.06
West Germany		31.00	14.00	8.96	-0.11
France		-18.03	-2.68	-5.15	0.58
United Kingdom		-35.38	-21.13	-6.70	0.08
Italy		-28.59	-27.23	-20.27	-0.14
Canada		7.65	1.06	2.70	-0.12

*Seasonally adjusted.

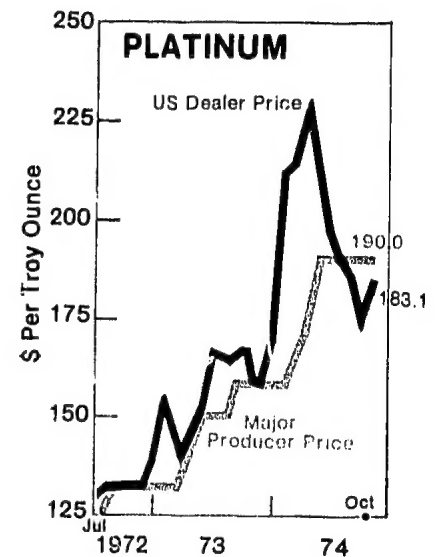
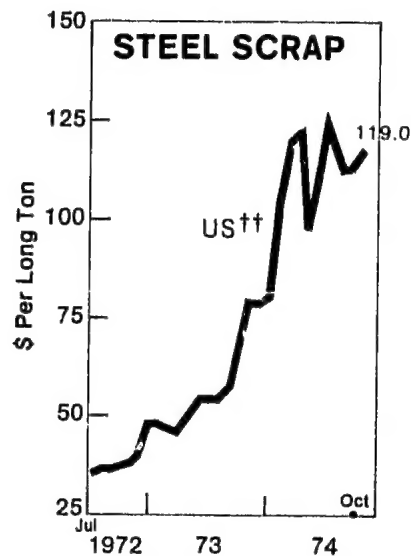
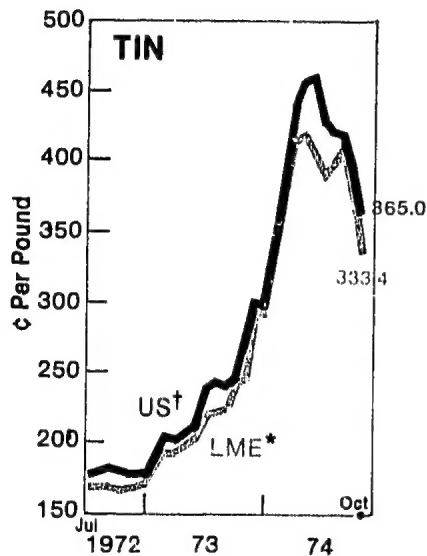
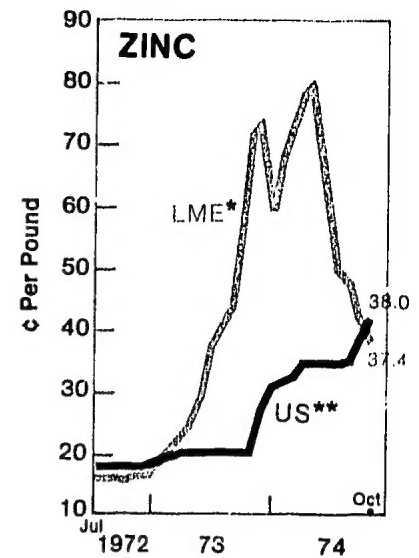
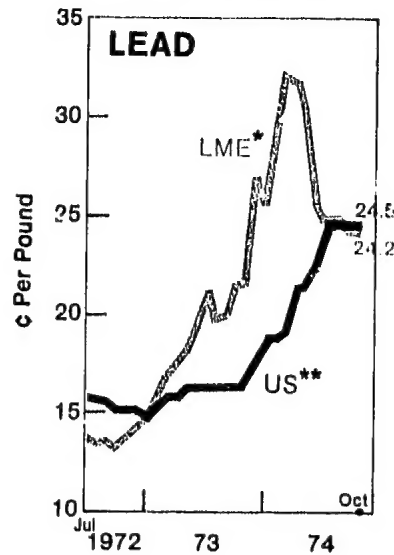
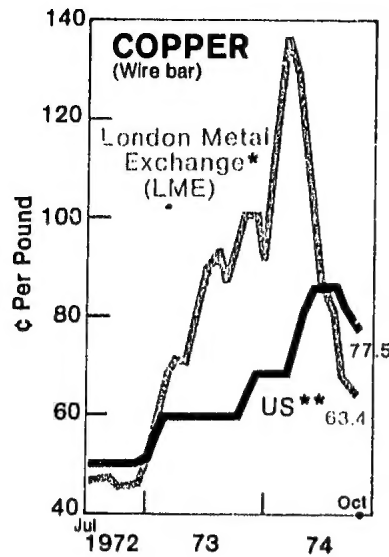
**Converted into US dollars at current market rates of exchange.

3 November 1974

***Weighting is based on each listed country's trade with 16 other industrialized countries to reflect the competitive impact of exchange-rate variations among the major currencies.

METAL PRICES

(Monthly Average Price)

**COMMODITIES****Cash Prices**

	4 Nov	28 Oct	Sep 74 Average	Oct 73 Average
Copper-LME (¢ per pound)	63.9	63.2	65.7	94.1
Copper-US (¢ per pound)	75.6	75.6	82.3	59.5
Lead-LME (¢ per pound)	24.7	24.2	24.3	21.5
Lead-US (¢ per pound)	24.5	24.5	24.5	16.5
Zinc-LME (¢ per pound)	36.8	36.5	41.0	53.0
Zinc-US (¢ per pound)	38.0	38.0	37.4	20.4
Tin-LME (¢ per pound)	331.7	329.2	414.7	245.0
Tin-US (¢ per pound)	366.2	361.0	416.0	245.9
Steel scrap (\$ per long ton)	N.A.	119.7	114.4	67.4
Platinum-US dealer (\$ per troy ounce)	184.0	188.0	171.6	167.6
Platinum-US producer (\$ per troy ounce)	190.0	190.0	190.0	158.0

*Approximates world market price frequently used by major world producers and traders, although only small quantities of these metals are actually traded on the LME.

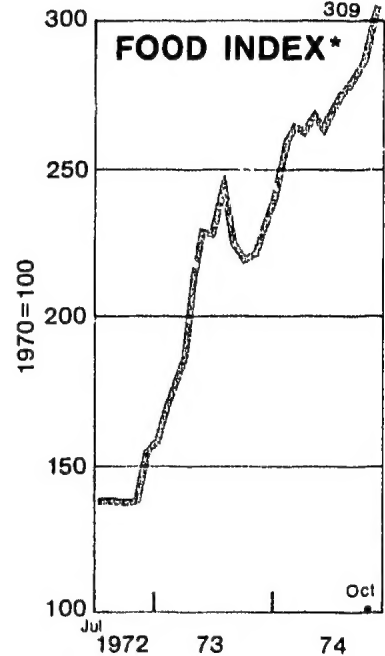
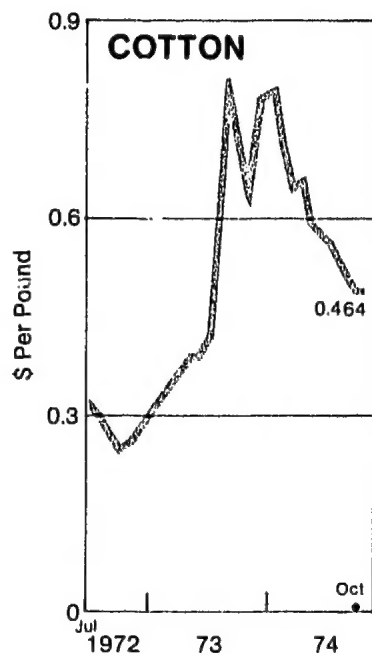
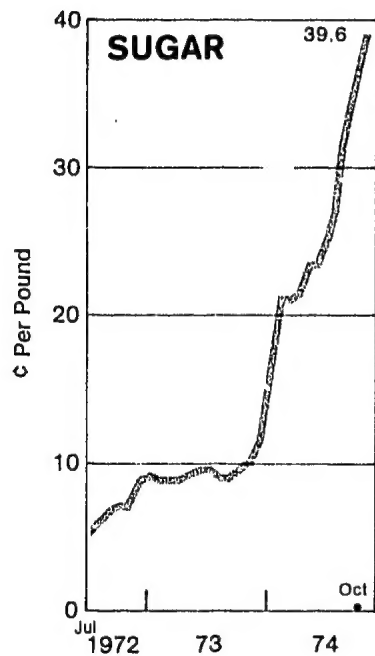
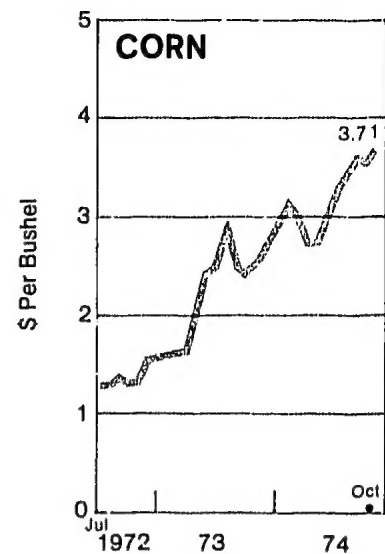
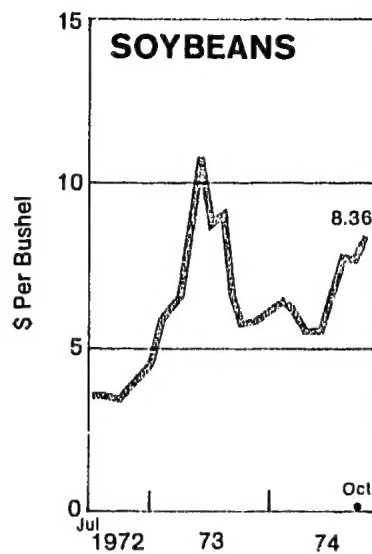
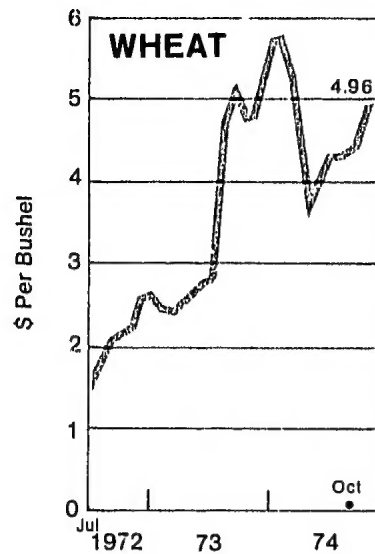
**Producers' price, covers most primary metals sold in the United States.

† Quoted on New York market. †† Composite price for Chicago, Philadelphia, and Pittsburgh.

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AGRICULTURAL PRICES

(Monthly Average Price)



* This is a compiled index by the *Economist* for 16 food commodities which enter international trade. Commodities are weighted by 3-year moving averages of imports into industrialized countries.

COMMODITIES

	Cash Prices			
	4 Nov	28 Oct	Sep 74 Average	Oct 73 Average
Wheat—Kansas City #2 Hard Winter (\$ per bushel)	5.08	5.01	4.38	4.72
Corn—Chicago #2 Yellow (\$ per bushel)	3.61	3.54	3.56	2.37
Soybeans—Chicago #1 Yellow (\$ per bushel)	8.15	7.30	7.59	5.62
Sugar—World Raw New York #11 (c per pound)	50.50	43.00	34.40	9.60
Cotton—Memphis 1 $\frac{1}{8}$ (\$ per pound)	0.4460	0.4290	0.4900	0.7560